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65-3813

7 JUL 1965

8-8 JUN 1965

Honorable Thomas E. Morgan
Chairman, Committee on
Foreign Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

We wish to submit the views of this Agency on H. R. 6277, 89th Congress, a bill "To amend the Foreign Service Act of 1946, as amended, and for other purposes."

The proposed bill carries two amendments to statutes which are of general applicability to all Federal departments and agencies. We wish to strongly support these two amendments which are found in sections 26 and 27 of the proposed bill.

Section 26 proposes an amendment to the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2064) and provides that no charge against leave shall be made for any period of absence from official duty, not to exceed six months, while an employee is recuperating or being rehabilitated from "...injury or illness incurred while serving abroad and resulting from hostile activity..." Under existing law, an employee so injured in a bombing or similar incident may be retained in a full pay status only to the extent that he has sufficient annual and sick leave to his credit. In many instances the injured employee does not have a sufficient amount of leave to cover him during the recuperative or rehabilitation period. Further, the leave so used is no longer available for the purposes for which it was originally granted--to provide for vacations and non-line-of-duty illnesses and injuries. For these reasons, the amendment is an excellent and needed addition to the existing sick and annual leave benefits for employees whose conditions of employment subject them to extraordinary risks.

OGC Has Reviewed

Section 27 proposes an amendment to the Overseas Differentials and Allowances Act (5 U.S.C. 3030) and authorizes the payment of a post differential of up to 50 per cent of basic compensation to officers and employees engaged in duty in a foreign area "...where there is unusual danger of injury due to hostile activity..." At present, the limitation for post differential allowances is 25 per cent of basic compensation. The post differential is used to provide additional compensation to officers or employees assigned to foreign posts where the endemic environment is hazardous to health and safety. However, there are foreign posts where the hazards involved far exceed this general scope. These are posts where officers and employees and the facilities in which they live and work are the targets of aggressive attack by terrorists. The recent increase in such hostile activity represents an unusual danger of injury or worse and fully justifies an increase in incentive compensation for the officers and employees involved.

We will be happy to provide any additional information that your Committee may request.

The Bureau of the Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report.

Sincerely,

/s/ Richard Helms

Richard Helms
Deputy Director

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MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT: Agency Views - H.R. 6277, 8 April 1965

1. This memorandum contains in paragraph 8 a recommendation for the approval of the Deputy Director of Central Intelligence.
2. H.R. 6277 was introduced on 15 March 1965 by Congressman Hays and was referred to the House Foreign Affairs Subcommittee on State Department Organization and Foreign Operations which he chairs. The Bill proposes a unified personnel system for employees engaged in foreign affairs functions. It also provides certain liberalizing benefits for Foreign Service personnel, as well as two benefits of general applicability for all overseas employees.
3. The Bill was not subject to prior clearance of the Bureau of the Budget before it was introduced. However, subsequent to its introduction, BOB insisted that certain provisions in the Bill be tightened up. The concessions to BOB in this connection are reflected in the Subcommittee Print of the Bill dated 8 April 1965.
4. The attachments set forth Agency interest in the Bill as identified through internal coordination. To date, all problems have

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been favorably resolved. However, two matters for Agency action are still outstanding with respect to this legislation.

5. The first, which is the subject of this memorandum, is an official stand by the Agency supporting the two provisions in the Bill which are of general applicability to all Federal agencies having employees abroad and would be most beneficial to the Agency. While our comments on the Bill were not initially solicited by the Bureau of the Budget, BOB has indicated they would welcome an Agency report to Chairman Morgan, of the Foreign Affairs Committee.

6. The other outstanding action concerns the six-month administrative leave provision we are supporting in the attached report. We are attempting to have this provision made retroactive so that it would cover the cases of [redacted] employees now undergoing extensive recuperation and rehabilitation caused by line-of-duty injuries since the first of this year. These cases include the [redacted] employees injured in the Saigon bombing. While our proposal has received warm support from the Department of State and the interested committees on the Hill, the Department of State is against clearing this matter through the Bureau of the Budget for fear that it may once again rock the boat on this legislation. The tactics to be pursued and which have been agreed upon so far by all parties concerned is to have Chairman Hays bring the question of retroactivity up as a suggestion which has been proposed to him and request Secretary Crockett's views on it in an executive session of the subcommittee. In these circumstances, Secretary Crockett could comfortably and warmly endorse the retroactive provision.

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7. In this connection we are providing Secretary Crockett and the Subcommittee with suggested language to accomplish our objective as well as a blind memorandum detailing the types of cases that would be covered by us.

8. It is recommended that the Deputy Director approve the release of the attached letter to the Bureau of the Budget by signing the report to Chairman Morgan on H.R. 6277.

S/ Lawrence R. Houston

LAWRENCE R. HOUSTON
General Counsel

Attachments:

- a. OGC Memorandum for DDP and DDS, dated 19 April 1965,
Subject: Foreign Service Act Amendments of 1965
- b. DDS Memorandum of Conversation, dated 16 June 1965,
Subject: H.R. 6277 - Proposed Amendments to the Foreign
Service Act of 1946
- c. Memorandum for the Record, dated 16 June 1965,
Subject: Agency Action - H.R. 6277, Subcommittee Print,
8 April 1965

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